

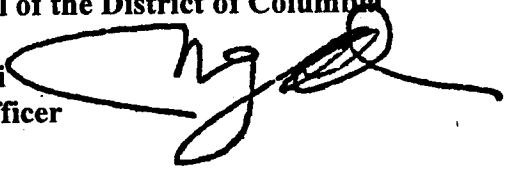
GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER



Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** NOV 30 2004

**SUBJECT:** Fiscal Impact Statement: Proposed Amendments to B15-1028, "Ballpark Omnibus Financing and Revenue Act of 2004"

**REFERENCE:** Draft Legislation to be Introduced by Chairman Cropp

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**Conclusion**

Funds are sufficient in the proposed FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation. There would be no negative impact on the budget and financial plan from the three proposed amendments.

**Background**

This fiscal impact statement addresses three proposed amendments to B15-1028, the "Ballpark Omnibus Financing and Revenue Act of 2004" (Amendment in the Nature of a Substitute).

Proposed amendment to invite and evaluate private financing. One amendment would require the District to seek alternative or private financing to offset the costs for constructing a new baseball stadium, rather than rely solely on government financing. The proposed amendment would establish a special purpose fund called the Baseball Financing Review Fund. The new fund would be a non-reverting, non-lapsing proprietary fund separate and apart from the General Fund with no fiscal year limitations. It would be the repository of fees collected from entities submitting supplemental or alternative financing plans. The fee amount would be determined by the Chief Financial Officer (CFO) and would be in an amount necessary to defray the costs of considering the financing proposals.

The amendment would require the Chief Financial Officer, in consultation with the Mayor and the Council of the District of Columbia, to establish criteria for the requested supplemental or alternative financing plans and evaluate the proposals within the established criteria. The purpose of the proposals would be to reduce the amount of new gross receipts tax revenue being proposed as the Ballpark Fee to finance the new baseball stadium.

The Chief Financial Officer would be required to submit a report to the Mayor and the Council describing and evaluating all the financing proposals that have been submitted to the District for consideration. This report is required within 120 days of the effective date of this act.

Proposed amendment to review land acquisition and infrastructure costs. A second amendment would require the Chief Financial Officer to re-evaluate the property acquisition and infrastructure costs for the proposed site at N street, S.E., Potomac Avenue, S.E., South Capitol Street, S.E., and 1<sup>st</sup> Street, S.E. The evaluation is to be submitted to the Mayor and the Council prior to May 15, 2005.

The proposed legislation requires that if the cost estimates for acquisition and infrastructure at the proposed site increase by \$100 million from the November 8, 2004 CFO estimate of \$115 million, the proposed site will be deemed unavailable. If this provision is triggered, the Mayor and the Sports and Entertainment Commission will be required to pursue replacement of the primary ballpark site with a substantially less costly site, including a site adjacent to Robert F. Kennedy Stadium. This provision is subject to the approval of Baseball Expos, Limited Partnership or its successors.

Proposed amendment to reduce the level of public financing. This amendment would delete the provision authorizing the use of excess debt service funds to fund bond issues up to \$45 million for purposes of the proposed Community Benefit Fund. The amendment would also delete the provision authorizing the Mayor to identify up to \$30 million of District funds that may be transferred to the Community Benefit Fund.

### **Financial Plan Impact**

There would be no negative impact on the FY 2005 through FY 2008 budget and financial plan as a result of implementing the provisions of the proposed amendments.

The private financing amendment requires the District to implement its provisions in a manner that is budget neutral. Fees collected by the District government for the submission and consideration of alternative or private financing proposals would be used to offset the costs incurred for evaluating and reporting on the proposals. The amount of the fee would be determined by the Chief Financial Officer in an amount sufficient to offset all costs of reviewing and analyzing private financing proposals submitted under the provisions of the amendment. It should be noted that expenditure of the fees collected would require budget authority. Budget authority must either be newly granted or taken from some other proposed expenditure. It is not likely that new budget authority can be obtained within the next 120 days.

It is expected that the costs of re-reviewing and analyzing land acquisition and infrastructure costs would not have an impact on the FY 2005 budget and financial plan since they would be part of the costs included in the planning for the new stadium.

The amendment to reduce the level of public funding would not have a negative impact on the FY 2005 through FY 2008 budget since it would not divert funds already budgeted to other purposes.